

Highlights of S.B. 1002 Funding for Tourism

S.B. 1002:

- **Establishes a board of Tourism Development**
 - Board appointed by the Governor with consent for the Senate
 - 13 members serve four-year terms
 - Geographic and industry representation
 - The board's office shall be in Salt Lake City
 - Board has authority to approve a tourism program of out-of-state advertising, marketing, and branding
 - Board will review office programs for coordination and integration of advertising and branding themes
 - Board will advise the office in establishing a cooperative program and will approve the eligibility, advertising, and timing requirements and criteria for an approval process for applications
 - Board may establish sub-committees for assisting the board in an advisory role only
 - Board may not make policy related to the management or operation of the office (although it does approve the program of out-of-state advertising, marketing, and branding)
- **Establishes power and duties of Governor's Office of Economic Development related to tourism development plan**
 - Office is the tourism development authority of the state
 - Office will develop a tourism advertising, marketing, and branding program for the state
 - Must receive approval from the Board of Tourism Development before implementing the out-of-state advertising, marketing, and branding campaign
 - Office will develop a plan to increase the economic contribution of tourists visiting the state
 - Office will assist in coordination of activities of persons, firms, associations, corporations, travel regions, counties, and governmental agencies in promoting scenic attractions of the state
 - Office shall conduct a regular and ongoing research program to identify statewide economic trends and conditions in the tourism sector of the economy
 - Office shall provide an annual evaluation of the economic efficiency of the advertising and branding campaigns to the Legislature's Workforce Services and Community and Economic Development Interim Committee and the Economic Development and Human Resources Appropriations Subcommittee
- **Creates with in the General Fund a restricted account known as the Tourism Marketing Performance Account**
 - Administered by the Governor's Office of Economic Development
 - Earns interest
 - Director may use account monies appropriated to the office to pay for the statewide advertising, marketing, and branding campaign for promotion of the state as conducted by the office
 - For the fiscal year beginning July 1, 2005 (and each subsequent year through year 10), the director shall allocate 7.5% of the monies appropriated to the office, but not to exceed \$750,000 to a sports organization for advertising, branding, and promoting Utah in attracting sporting events to the state
 - The sports organization must annually account the use of the monies to the director and the board
 - The sports organization must be a 501(c)(3) organization
 - Appropriations from the General Fund: \$10 million for FY 2005-06 (year 1), \$4 million for FY 2006-07 (year 2)
 - Possibility of additional \$4 million from surplus funds for FY 2006-07 (year 2), which would bring the total back up to \$8 million for FY 2006-07 (year 2)
 - Performance-based funding mechanism takes effect in FY 2006-07(year 2), with the cumulative performance based funds included in the account each year (years 3-10), providing the real growth of the account
 - 20% of the account goes to a Cooperative Program for use by cities, counties, and nonprofit destination marketing organizations for advertising and to promote to out-of-state visitors

Note: The Tourism Marketing Performance Account is in addition to the operating budget of approximately \$3.9 million allocated to the tourism portion of the Governor's Office of Economic Development (formerly known as the Utah Division of Travel Development).